



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 10/5/2000

GAIN Report #HK0059

Hong Kong

Exporter Guide

2000

Approved by:

Howard R. Wetzel

U.S. Consulate, Hong Kong

Prepared by:

Caroline Yuen & Ben Li

Report Highlights:

Hong Kong has become an increasingly important market for consumer-oriented American foods. Hong Kong imported US\$1.4 billion of consumer-oriented products in 1999. Of all U.S. consumer-oriented American exports to Hong Kong, poultry meat, fresh fruit, red meats and processed fruit and vegetables are the leading items. Among the three major market sectors of Hong Kong: the retail and HRI(Hotel, Restaurant and Institutional) sectors present the best opportunity for U.S. exporters. The food processing industry in Hong Kong is relatively small compared to food retail and HRI sectors.

Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
Hong Kong [HK1], HK

TABLE OF CONTENTS

SECTION I. MARKET OVERVIEW	1
SECTION II. EXPORTER BUSINESS TIPS	4
SECTION III. MARKET SECTOR STRUCTURE AND TRENDS	4
Food Retail	4
Hotel, Restaurant and Institutional (HRI)	8
Food Processing	9
SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS	9
SECTION V. KEY CONTACTS AND FURTHER INFORMATION	10
APPENDIX I. STATISTICS	13
A. Key Trade & Demographic Information	13
B. Consumer Food & Edible Fishery Product Imports	14
C. Top 15 Suppliers of Consumer Foods & Edible Fishery Products	15

SECTION I. MARKET OVERVIEW

- S Hong Kong has become an increasingly important market for consumer-oriented American foods. Hong Kong imported US\$1.4 billion of consumer-oriented products in 1999. Of all U.S. consumer-oriented American exports to Hong Kong, poultry meat, fresh fruit, red meats and processed fruit and vegetables are the leading items. For fish and seafood products, Hong Kong had an import market of US\$1.6 billion with U.S. products accounting for 3% of the market share.
- S Hong Kong's GDP grew by 10.8% in the second quarter of 2000. The government revised upward its GDP forecast for 2000 from 6% to 8.5%. This shows a gradual recovery from the general economic downturn of the last few years. Hong Kong is currently experiencing relatively high unemployment of 4.9%. Despite the gradual economy recovery, the downturn in the past few years and present high unemployment have affected consumers' eating and shopping habits. Whereas most people used to eat out frequently, now more are shopping for groceries and preparing more meals at home, or eating more meals at low-end or fast food restaurants. Hong Kong's relatively sophisticated shoppers are buying an increasing percentage of their groceries in supermarkets, as opposed to traditional wet markets. Demand for grocery store products, meats, poultry, eggs, and fresh fruit continue to be very strong.
- S According to the Hong Kong Agriculture, Fisheries and Conservation Department, Hong Kong's average daily aggregate consumption of major fresh foodstuffs in 1999 was: 1800 tons of fresh fruits (-0.3% from 98), 1,100 tons of fresh vegetables (-8% from 98), 190 tons of live poultry (+19% from 98), 200 tons of fresh eggs (same as 98), 412 tons of fish (-6% from 98), 6,200 head of live pigs (-4% from 98) and 180 head of live beef cattle (same as 1998). The decline in consumption of these fresh foodstuffs has been ascribed to the growing popularity of frozen foodstuff. Also, there is excellent potential growth in the processed/convenience sectors of Hong Kong's retail food market for U.S. high value consumer foods such as grocery items, wine, health food, etc. Being one of the most affluent economies in Asia, Hong Kong has a per capita GDP at around \$23,200. Because of established ties and traditional relationships, most of Hong Kong's supermarket chains traditionally looked to the EU, Australia, New Zealand, and Canada for supplies. In recent years, however, buying habits are shifting and many more American items are now available on local grocery store shelves.
- S Demographic Factors: 1. An increasing number of women in the work force. In 1999, 49.5% of women in Hong Kong were in the labor force. 2. A youthful work force: 60% of labor force is in the age group of 25 - 44. These two demographic trends indicate that there is a good potential for "convenience" foods. In addition, younger population is very receptive to new food varieties.

Advantages	Challenges
World's freest economy (Heritage Foundation's 2000 Index of Economic Freedom). Consistent free trade and free enterprise policies. No import duty except on liquor, cigarettes, hydrocarbon oils and methyl alcohol. Separate customs territory from China.. No foreign exchange controls	Severe competition between different supplying countries, aided by weaker foreign currencies.
	A very price sensitive market; importers' buying decisions depend largely on price.
H.K. dollar pegged to the U.S. dollar, so U.S. products are not subject to price fluctuations based on exchange rates.	U.S. products are disadvantaged by a higher transport cost when compared with Australian and Chinese products.
Foreign and local businesses operate on a level playing field	Lack of trader and consumer awareness of U.S. foods. Traditional preference for European foods, due to previous ties with the U.K.
As one of the most affluent economies in Asia, a market leader for new products.	A virtual duopoly in food retailing allows retailers to charge high slotting (shelf space) fees.
International city; residents travel frequently and are receptive to western and novel food	
Port facilities are world-class, making Hong Kong a regional trade center and entrepot.	

SECTION II. EXPORTER BUSINESS TIPS

Local Business Customs:

Hong Kong is a fast, dynamic and competitive marketplace with a strong traditional trading focus. Traders thrive on making and executing business decisions in a very short time frame to capture business opportunities. Therefore, Hong Kong traders expect prompt responses from overseas traders. Hong Kong traders tend to be very direct. They will tell you immediately whether your product can sell in Hong Kong or whether they want to do business with you or not. Hong Kong traders receive many messages via phones, e-mail and fax everyday. If you are serious in exploring the Hong Kong market, it is important to visit Hong Kong and meet with the traders in person. Business appointments should be made before leaving the U.S. At least 1 day in advance, it is recommended to reconfirm appointments, time, place, people and the best means of reaching the designated meeting place. Allowing ample time to get to your meeting place is important, as transportation tends to be chaotic in Hong Kong. Although a good personal relationship is not the sole solution for doing business successfully in Hong Kong, it is definitely a critical first step to build a good relationship with your business contacts in Hong Kong. Hong Kong traders demand high flexibility, especially in the volume of orders, in logistics arrangement such as consolidating container content, packing, labels, etc.

Language: The official written languages in Hong Kong are Chinese and English. The official spoken languages are Cantonese (the prominent Chinese dialect in Hong Kong and South China) and English. In general, all correspondence can be in English.

Travel Visa: Even though Hong Kong is now part of China, there is still a border boundary between Hong Kong and China. If you are traveling with a U.S. passport, you do not need a travel visa for Hong Kong. However, if you are planning to go to Mainland China, you need to apply for a travel visa into China.

Legal System: Hong Kong's legal system is firmly based on the rule of law and the independence of the judiciary. Hong Kong's legal system is separate from Mainland China.

For further information on local business tips and customs, please visit the following homepage of the Hong Kong Trade Development Council: <http://www.tdctrade.com>.

General Consumer Tastes and Preferences:

Traditionally, Hong Kong consumers shop for food daily because of a preference for fresh food. Most shopping is still done in traditional markets including wet markets and mom-and-pop shops. However, sales in supermarkets are increasing. In 1998 and 1999, sales in supermarkets overtook traditional markets and accounted for 54% of total retail sales on food and drinks. Due to the increasing prevalence of dual income families, ready-to-cook food has become more popular. The major supermarket chains in Hong Kong have been putting more emphasis on convenience foods. Because of the limited living space in Hong Kong, it is inconvenient for Hong Kong consumers to store food products. Therefore, bulk pack food products do not sell in Hong Kong, and small package food products are preferred. Hong Kong consumers have become more aware of food safety issues, especially after several well known food safety crises (such as the "Chicken Flu" issue in 1997). This prompted the Government to set up an independent agency in 2000 - the Food and Environmental Hygiene Department - to administer all food safety and hygiene related issues in Hong Kong.

To better understand Hong Kong consumers' preferences for western foods, the Hong Kong Agricultural Trade Office commissioned a pilot study from a Hong Kong market research firm on consumer preferences among Hong Kong Chinese consumers for four different categories of food products: hot dogs, salty snacks, fruit juice beverages and celery. The purpose of the study is to identify consumer attitudes and buying habits so as to help U.S. exporters gain an insight as to how to introduce western foods in the most effective way to Hong Kong consumers. For details, please refer to Gain Report # HK0056.

General Import and Inspection Procedures:

Food products can be imported to Hong Kong duty free. As for technical import requirements, the basic tenet is that no food intended for sale should be unfit for human consumption. Products which require import permits/health certificates include meat, milk and frozen confections. The Hong Kong government accepts import applications from Hong Kong importers; U.S. exporters are not required to apply for import permits. However, U.S. exporters may need to supply their agents/importers with necessary documentation such as health certificates from the U.S. government.

The Hong Kong Food and Environmental Hygiene Department requires importers to provide an official certificate for the importation of meat products, frozen confection and dairy products. When a consignment arrives and before its release, the products will be inspected and if necessary sampled. Upon the satisfaction of the Department, a "release" letter will be issued to the importer. Traders are required to submit import and export declarations to the Hong Kong Customs and Excise Department. A declaration charge of 0.025% applies for imports and exports.

For more information on food import regulations, please also refer to the "Hong Kong Food and Agricultural Import Regulations and Standards, Importation of Food & Agricultural Products to Hong Kong 2000". Gain Report #HK0040.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Among the three major market sectors of Hong Kong: the retail and HRI(Hotel, Restaurant and Institutional) sectors present the best opportunity for U.S. exporters. The Food processing sector in Hong Kong is very small and presents less opportunity for market development.

Food Retail

Total retail sales of food and drinks in Hong Kong for 1999 reached US\$6.36 billion, rising 0.8% from US\$6.31 billion in 1998. For January - July 2000, retail sales of food, alcoholic drinks, and tobacco for traditional markets increased 2.9 %, while that for supermarkets increased 5.9 %, compared with the same period last year. Retail establishments in 1998 amounted to 16,112, which included (1) 125 supermarkets and convenience stores establishments (excluding retail outlet branches, estimated at about 1,200) and (2) 15,987 wet market stall and "mom and pop" shop operators.

Although the supermarket category constitutes a very tiny number of Hong Kong's total retail outlets, its share in terms of retail sales is significant : 44% of total sales in 1995, 45% in 1996, 44 % in 1997 and 54 % in 1998 and 1999. The significant jump since 1998 may indicate that supermarkets have taken much business away from traditional wet markets.

AC Nielsen recently conducted a survey on household expenditure. Findings revealed that the average Hong Kong household makes over 30 food shopping trips each month, visiting a wet market 16 times and the supermarket 14 times. The average household spent roughly HK\$98 per shopping trip with 80% going to food and beverage. About 45% of the food and beverage budget goes to fresh food products, where wet markets dominate with a 76% share of all sales. The survey also found out that 33% of the population still buy all their fresh foods from their local wet market. In addition, the higher the income group, the larger portion of their fresh food budget is spent in supermarkets.

Percentage of Fresh Food Purchases Made at Wet Markets and Supermarkets Varies According to Household Income

Place	Monthly household income below HK\$12,000	Monthly household income between HK\$12,000-29,999	Monthly household income above HK\$30,000	Average
Wet market	82%	79%	64%	76%
Wellcome Supermarket	3%	4%	6%	4%
Parkn Shop Supermarket	8%	7%	19%	11%

Due to limited land resources and rapid urbanization, Hong Kong has to rely heavily on imports for its food supply. In 1999, local production contributed only 12% of fresh vegetables, 18% of the live poultry, 22% of the live pigs and 57.5% of the marine fish consumed in the same year.

Supermarkets

There are two dominant supermarket chains in Hong Kong: The Wellcome Co. Ltd. (220 outlets) and Park’N Shop (180 outlets). Park’N Shop and Wellcome account for about 70 percent of the supermarket turnover. Both supermarkets are able to work closely with real estate developers to open stores in strategic locations, thus maintaining their significant market share. The other players include: China Resources Supermarket (CRC), Guangnan (KK) Supermarket, Dah Chong Hong, Jusco and City Super. As a result of Japanese economic downturn, the number of Japanese department stores in Hong Kong has declined from seven to four.

Almost all Hong Kong supermarkets require listing fees, that is, a fee charged to allow a new product to be put on their shelves. This is a one-off fee for a trial period. The listing fees are extremely negotiable and vary greatly among different supermarket chains. For example, Wellcome and Park’N Shop, which have many branch stores, have expensive listing fees. A product with five SKU categories is expected to pay US\$26,000 to US\$39,000. On the other hand, Jusco, a supermarket in a Japanese department store, charges US\$150 for all its stores. The agent will not bear this cost, which is transferred to the principal. In short, all supermarkets require listing fees except those belonging to Japanese department stores. (Jusco is the only Japanese department store food retailer that requires a listing fee.)

U.S. exporters should be prepared to encounter numerous trading term demands from Hong Kong food retailers, such as promotional discounts (number of discount promotions offered each year); back-end income (flat rebate per year that a U.S. exporter has to pay to the retail chain based on the annual turnover); D.G.A. (Distribution allowance - the fee that the supermarkets charge for distributing the products from its warehouse to its many branch stores); and incentive rebate (a percentage of turnover rebated to the supermarkets in case sales exceed the agreed amount). It can be expected that the bigger the supermarket, the harsher the trading terms. For general reference, about 15 percent of the annual turnover has to be rebated to the major supermarkets and 8 percent to small ones.

Some significant supermarket highlights in 2000 included the closure of Carrefour and Market Republic, as a result of severe competition. In contrast, the major supermarket chains keep on expanding. Parknshop continues to materialize its "superstore" concept by converting more and more of its stores to superstores. One significant feature of the superstores is that they provide fresh provisions, thus taking much businesses away from wet markets.

Market Entry Approach:

1. Through setting up a representative office in Hong Kong: While this is the most effective approach, it is very costly.
2. Through U.S. Consolidators: Major supermarkets in Hong Kong work with U.S. consolidators for some of their products. However, the product quantities requested per shipment are usually small, especially when new products are purchased to test the market.
3. Through Hong Kong agents: This is the most popular approach. The advantage of having an agent is that it can help with marketing and distribution. Some companies may secure a very competitive price package with TV/magazine/radio for advertisements. In addition, well established companies have extensive distribution networks not limited to one or two supermarkets.
4. Direct to Supermarkets: For branded products to sell direct to supermarkets, supermarkets usually require exclusive rights in selling the products in Hong Kong through their own outlets only. Otherwise, they will not consider any direct imports. In this case, expensive listing fees may be waived. For non-branded and large turnover products such as fruit, meat, and vegetables, supermarkets tend to buy direct from overseas exporters to cut costs.

Direct selling to supermarkets is difficult to handle because they demand strict on-time delivery and very often will not be able to take a whole container. Logistics is the largest problem that U.S. exporters have to deal with if they want to sell direct to supermarkets. However, they can better test the market if they deal directly with retailers.

Convenience Stores

There are around 460 convenience stores in Hong Kong. Two major chains dominate the market: 7-Eleven (350 outlets) and Circle K (110 outlets). They are targeting the customer age group of 15-35. Convenience stores are characterized by round-the-clock operation. Since only a limited choice of brand names is available and prices are generally less competitive, most purchases are "convenience" in nature, i.e. goods are normally bought in small quantities for immediate consumption. The average store size of a convenience store is 1,000 sq. ft. Listing fees are also required for convenience stores.

Market Entry Approach:

Convenience stores only buy goods from local importers and agents. Therefore, U.S. food exporters have to go through Hong Kong importers to have their products sold in convenience stores.

Traditional Markets

Traditional markets include wet markets and mom-and-pop shops. They are widespread throughout the territory. Traditional markets used to account for a lion's share of food retails. For example, they occupied around 54 percent of total retail food sales between 1995 and 1997. Yet supermarkets sales exceeded traditional markets sales in both 1998 and 1999 and the dominating trend of the former is likely to persist and enlarge in the future. Despite the growing significance of supermarkets in terms of food retailing, traditional markets remain as key food retail outlets, particularly for seafood, meat and groceries. Mom-and-pop shops around the housing estates and schools are ideal retail outlets for drinks and snack foods. The total number of wet markets in Hong Kong is around 206. Wet markets in Hong Kong have changed gradually over the years. The newly built markets are air-conditioned and more hygienic and more environmentally pleasant than the old ones. Some, but not all, stalls in wet markets have freezers and chilling equipment which is necessary to maintain food quality. One feature of traditional markets is that stalls are small, but the service they offer is personal.

Market Entry Approach:

U.S. exporters must go through local importers/agents that have a good distribution networks.

Trends in Promotional/Marketing Strategies and tactics

- *Supermarkets expanding store size:* The supermarket industry is undergoing a face-lift to introduce larger size stores. In the past year, Park'N Shop, the biggest supermarket chain in Hong Kong, has opened several new "superstores" in key locations, which feature a much larger selection of products. Wellcome, the other major supermarket, is in negotiations to take over prime retail space left over by Carrefour, which has closed all 4 stores in mid September this year, following years of heavy losses. If Wellcome is able to acquire these retail spaces, they will be able to set up several mega store style supermarkets, like the Park'N Shop superstores.

- *Internet direct sales of food:* Currently Park'N Shop, Wellcome, AdM@RT and CitySuper are the four supermarkets offering grocery shopping over their websites. The service is however not attracting a lot of interest, due to the convenience of shopping in Hong Kong, security concerns and the cost of delivery. However, a survey done by an independent consulting company showed that food and books are the most sought after items by online shoppers in Hong Kong. With internet retailing expected to gain popularity over time, food sales will be well positioned to take advantage of this new marketing channel.

- *Growing awareness of U.S. products fit supermarkets' needs to diversify product range:* With awareness of the high quality and variety of U.S. food products increasing among supermarkets, there are many opportunities to introduce new U.S. products to the local market. ATO Hong Kong has found the combination of a U.S. buying mission and a follow-up in-store promotion to be highly effective. Buyers from Hong Kong supermarkets realize the quick-changing consumption temperament of local consumers, and many have expressed to us the need to source new products to capture changing tastes. With great support from exporters and state regional trading groups, we continue efforts to arrange buying missions and help supermarkets expand the range of U.S. products they carry. To this end, we ask for exporters' active participation.

- *Consumers become increasingly health-conscious, and organic products pick up in popularity:*

There has been a gradual change in what consumers want in Hong Kong. The importance of meat, especially red meat, has declined, while poultry and other food groups, such as fruits and vegetables, are gaining in popularity. Consumers increasingly look for freshness, healthiness, new varieties and shorter meal-preparation time for food. Consumers want foods of higher nutritional value, but also increasingly pay attention to food safety and hygiene.

The market for organic food, especially fresh vegetables, has picked up considerably in the last year. Park'N Shop, the biggest supermarket in Hong Kong, set up a separate organic food section in the past year. A trader of mainland grown organic vegetables has seen his orders steadily increasing, and expects to handle more than 30 tons of products a day by the end of the year. A local producer of organic vegetables said his produce has been experiencing strong demand, and his farm broke even two years after it started operating in 1988. Organic produce typically costs 5 - 6 times more than vegetables grown traditionally, but the 500,000 or so middle class and expatriates in Hong Kong are willing to pay for what they perceive as "safe" and "hygienic" products.

For further information on the Hong Kong food retail sector, please refer to "Retail Food Sector Report 1999" (Gain Report #HK9117).

Hotel, Restaurant and Institutional (HRI)

Restaurants

The number of restaurants and eating places in Hong Kong is among the highest in the world on a surface area or per capita basis. The number of eating places has doubled from 4368 in 1980 to 9818 in 1998. Total sales of all the eating establishments in 1999 were over US\$7.3 billion. Local households spend approximately between 50 and 60 percent of their food budget on dining out. Since Hong Kong people usually have small homes, they prefer to entertain at restaurants instead of in the home.

The local Chinese population, especially the under 30 age group, is opting for more western lifestyles and eating habits, and are moving toward higher consumption of convenience foods. McDonald's, Dominos, Pizza Hut, Kentucky Fried Chicken, Hardee's, Fairwood, Café de Coral, Jack in the Box, and others have all grown rapidly in numbers over the past ten years and now have become fixtures in the Hong Kong market. Starbucks first entered the Hong Kong catering market in early 2000 with two outlets. By the end of September, it already has had six outlets in the territory's key shopping and commercial districts. This prominent American coffee shop is planning to open more outlets in the near future. The fastest developing sector of the market is the fast food outlets. While fast food business have recorded strong growth providing budget alternatives for Hong Kong consumers during the Asian Financial Crisis, post-crisis consumer sentiments have changed. Consumers are now more value conscious, and demand better "bang for the buck". This change in sentiment has forced the major fast food operators, Café De Coral, Maxim's and Fairwood, to innovate their menus by introducing numerous new ingredients, such as breaded chicken patties, premium juice dinks, etc. Café de Coral and Fairwood are also renovating their older restaurants and adding "cyber corners" to give them a more upscale look, in order to create more value in patrons' minds.

In 1998, there were over 9818 restaurants and about 90 hotels in Hong Kong catering for a large percentage of the 10 million tourists each year and for local consumers. The tourism and hospitality industry is poised to get a major boost when the Hong Kong Disneyland theme park opens in 2005.

Aircraft catering

With 22 million air passengers moving in and out of Hong Kong each year, an enormous amount of food and drink is consumed in the aircraft catering sector.

Market Entry Approach:

1. Because of small individual consumption, local hotels, restaurants and most fast food operators usually cannot afford to import directly. The distribution of food and beverages to these operators is generally through import agents. U.S. exporters should contact Hong Kong importers to explore potential business opportunities.
2. Aircraft catering services may import a number of items direct, such as special portion control products (butter, snacks, etc.). Interested U.S. exporters can contact the aircraft caterers directly.

Trends in Promotional/Marketing Strategies and tactics

- *Menu promotions with major restaurant chains:* Menu promotion dollars will be maximized if spent on promotion events held with the major restaurant chains. With the restaurant chains' announced intention to have an image overhaul, this provides for an opportunity to introduce new U.S. foods.

- *Setting up of several fast food and takeaway websites:* In the past 6 months, several meal delivery sites have begun operation to cater to the home delivery market. They take advantage of the high internet usage rate in Hong Kong - close to 40% of the population has internet access - and the predominant use of the internet to quickly retrieve information. Web surfers can log on to their site and browse menus to order food online to be delivered to their homes.

Food Processing

The food processing industry in Hong Kong is relatively small compared to food retail and HRI sectors. The total output of the local food processing industry was US\$2.3 billion in 1997 and there were 732 food processing establishments as of December 1999. Baking is the largest sector in Hong Kong's processed food and beverage industry. Major products of the industry include biscuits, pastries and cakes for both domestic consumption and export. Other significant sectors include instant noodles and other pasta production; canning, preserving and processing of seafood (such as fish, shrimp and prawns, and crustaceans); manufacture of dairy products (fresh milk, yogurt and ice cream); seasonings; and spirits. Due to limited space and relatively expensive labor, the current trend for Hong Kong food processing companies is to establish plants in the Southern China region instead of Hong Kong because of lower costs in China. The growth prospects for the local food processing industry are limited. Hence the food processing sector presents fewer opportunities for U.S. exporters.

Market Entry Approach:

Food ingredients are sourced both through direct import by food processors and through middleman traders. Hong Kong traders and end-users tend to stay with suppliers with whom they know well and have done business with for some time. While exporters would do well exploring all channels, patience and understanding is required to establish a relationship of trust before trading can commence.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

A . Products Present in the Market which have had Significant Growth Rate for the Past 5 Years

Products	1995 Retained Imports* of US Origin (US\$ thousand)	1999 Retained Imports of US Origin (US\$ thousand)	Growth Rate between 1995 & 1999
Grapes	52,292	61,129	17%
Beef	37,702	44,784	19%
Salty snacks	6,924	14,233	106%
Processed Red Meat Products	6,583	8,760	33%
Almonds	2,731	7,088	160%
Breakfast Cereals	2,618	3,457	32%
Processed Poultry Products	1,117	2,605	133%
Cheese	588	1,653	181%
Prunes	1,148	1,529	33%

* “Retained imports” are the difference between Hong Kong’s total imports and its re-exports, which are significantly large with certain products in high demand by mainland China. Retained imports are used to estimate demand for imports within Hong Kong borders.

B. Products Present in the Market Significant Quantities

Products	1999 Retained Imports (US\$ thousand)	1999 Retained Imports - U.S. Origin (US\$ thousand)	Market Share of U.S. Origin Products
Poultry	339,076	161,062	48%
Oranges	102,822	27,640	27%
Ginseng	84,940	26,907	32%
Apples	50,867	12,056	24%
Ice Cream	18,840	9,027	48%
Frozen Potatoes	9,276	8,877	96%

Fruit & vegetable Juices	18,822	8,264	44%
Concentrated extracts and powders for making beverages & aerated waters	61,522	7,077	12%

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Foreign Agricultural Service (FAS) Home Page: http://www.fas.usda.gov	
Hong Kong Contacts	
Agricultural Trade Office of the American Consulate General - Hong Kong 18 A, 33 Garden Road, Central, Hong Kong Tel: (852) 2841-2350 Fax: (852) 2845-0943 E-mail: ATOHongKong@fas.usda.gov Home Page: http://www.fas.usda.gov OR http://www.usconsulate.org.hk/ato	
(Food safety control policy) Food & Environmental Hygiene Department Food and Public Health Branch 43 rd floor, Queensway government offices 66 Queensway Hong Kong Tel: (852) 2867-5511 Fax: (852) 2893-3547 E-mail: enquiries@fehd.gov.hk Home Page: http://www.fehd.gov.hk	(Importation of plants & live animals) Agriculture, Fisheries and Conservation Department 5 th to 8 th floors, Cheung Sha Wan Government Offices 303 Cheung Sha Wan Road Kowloon Hong Kong Tel: (852) 2708-8885 Fax: (852) 2311-3731 E-Mail: afcdenq@afcd.gcn.gov.hk Home Page: http://www.info.gov.hk/afcd
(Trade Statistics) Census and Statistics Department 16 th -22 nd and 25 th floors, Wanchai Tower, 12 Harbor Road, Wan Chai, Hong Kong Tel: (852) 2582-4807 Fax: (852) 2802-4000 E-mail: genenq@censtatd.gcn.gov.hk Home Page: http://www.info.gov.hk/censtatd	(Licence for imported dutiable commodities) Hong Kong Customs & Excise Department Office of Dutiable Commodities Administration 6-9th floors, Harbor Building, 38 Pier Road, Central, Hong Kong Tel: (852) 2852-3027 Fax: (852) 2581-0218 E-mail: customeq@customs.gcn.gov.hk Home Page: http://www.info.gov.hk/customs

<p>(Hong Kong companies registration) Companies Registry 12th-15th, 17th and 29th floors, Queensway Government Offices, 66 Queensway, Hong Kong Tel: (852) 2234-9933 Fax: (852) 2869-6817 E-mail: crenq@cr.gcn.gov.hk Home Page: http://www.info.gov.hk/cr</p>	<p>(Trade Promotion and Hong Kong Information) Hong Kong Trade Development Council 38th Floor, Office Tower, Convention Plaza, 1 Harbor Road, Wan Chai, Hong Kong Tel: (852) 2584-4188 Fax: (852) 2824-0249 E-mail: hktdc@tdc.org.hk Home Page: http://www.tdctrade.com</p>
<p>(Hong Kong Travel Information) Hong Kong Tourist Association 9th - 11th floors, Citicorp Center, 18 Whitfield Road, North Point, Hong Kong Tel: (852) 2807-6543 Fax: (852) 2806-0303 E-mail: info@hkta.org Home Page: www.hkta.org</p>	

APPENDIX I. STATISTICS

A. Key Trade & Demographic Information

Year : 1999

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$7,580 million/21%
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$5,360 million/26%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$1,589 million/3 %
Total Population (Millions) / Annual Growth Rate (%)	6.843 million/2.5%
Urban Population (Millions) / Annual Growth Rate (%)	6.843 million/2.5 %
Number of Major Metropolitan Areas	One (Hong Kong as a whole)
Size of the Middle Class (Millions)^{1/}	2 million
Per Capita Gross Domestic Product (U.S. Dollars)	\$23,201
Unemployment Rate (%)	4.9%
Per Capita Food Expenditures (U.S. Dollars)	\$1,999
Percent of Female Population Employed	49.5%
Exchange Rate (US\$1 = HK currency)	HK\$7.75

Footnotes

1/ The middle class is based on the expenditure pattern of households, which had an average monthly expenditure of \$2300 - 4387. The average household size is 3.25 persons.

B. Consumer Food & Edible Fishery Product Imports

Hong Kong Imports (In Millions of Dollars)	Imports from the World			Imports from the U.S.			U.S. Market Share		
	1997	1998	1999	1997	1998	1999	1997	1998	1999
CONSUMER-ORIENTED AG TOTAL	6,196	5,519	5,360	1,813	1,504	1,369	29	27	26
Snack Foods (Excl. Nuts)	348	260	253	27	19	21	8	7	8
Breakfast Cereals & Pancake Mix	14	13	19	4	4	8	25	32	41
Red Meats, Fresh/Chilled/Frozen	563	629	543	131	128	109	23	20	20
Red Meats, Prepared/Preserved	219	193	175	37	36	37	17	19	21
Poultry Meat	885	806	908	544	466	537	61	58	59
Dairy Products (Excl. Cheese)	412	360	315	39	24	25	9	7	8
Cheese	31	28	27	2	3	3	6	10	11
Eggs & Products	134	110	87	32	25	18	24	22	20
Fresh Fruit	976	900	802	407	374	203	42	42	25
Fresh Vegetables	164	172	188	55	47	40	33	27	21
Processed Fruit & Vegetables	449	365	335	122	110	104	27	30	31
Fruit & Vegetable Juices	25	21	23	11	8	10	43	36	43
Tree Nuts	112	115	124	37	35	42	33	30	34
Wine & Beer	331	226	171	50	34	21	15	15	12
Nursery Products & Cut Flowers	40	33	41	1	1	2	3	3	6
Pet Foods (Dog & Cat Food)	19	15	19	8	6	8	43	42	40
Other Consumer-Oriented Products	1,475	1,273	1,331	304	184	180	21	14	14
FISH & SEAFOOD PRODUCTS	2,089	1,606	1,589	78	50	49	4	3	3
Salmon	37	34	40	1	1	1	1	1	1
Surimi	201	19	4	1	1	1	0	0	0
Crustaceans	519	448	469	20	9	10	4	2	2
Groundfish & Flatfish	155	94	98	5	3	5	3	3	5
Molluscs	416	371	383	29	14	16	7	4	4
Other Fishery Products	761	640	595	24	23	18	3	4	3
AGRICULTURAL PRODUCTS TOTAL	9,861	8,841	7,580	2,122	1,952	1,577	22	22	21
AGRICULTURAL, FISH & FORESTRY TOTAL	13,665	11,962	10,651	2,320	2,087	1,711	17	17	16

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

C. Top 15 Suppliers of Consumer Foods & Edible Fishery Products

Hong Kong Imports - Top 15 Ranking

CONSUMER-ORIENTED AG TOTAL

	1997	1998	1999
	Value	Value	Value
	1000\$	1000\$	1000\$
United States	1,812,648	1,504,414	1,368,867
China	1,192,287	1,188,816	1,307,894
Netherlands	334,500	338,781	255,242
Australia	268,925	257,298	238,717
Thailand	322,704	231,314	232,689
Japan	218,795	212,288	227,626
Brazil	199,889	200,791	218,689
New Zealand	168,806	147,524	135,493
Canada	143,889	153,487	125,566
UK	180,916	138,968	119,345
France	141,612	100,563	93,101
K o r e a , Republic	160,424	100,036	92,780
Malaysia	111,914	92,806	88,225
Singapore	120,254	96,517	87,798
Chile	71,473	81,696	82,341
Other	747,161	673,416	685,581
World	6,196,200	5,518,722	5,359,968

FISH & SEAFOOD PRODUCTS

	1997	1998	1999
	Value	Value	Value
	1000\$	1000\$	1000\$
China	305,536	274,067	264,310
Australia	170,941	153,082	183,189
Japan	415,351	184,897	170,721
Thailand	147,245	113,578	112,104
Indonesia	98,926	123,105	91,112
New Zealand	85,483	71,405	75,358
Taiwan	58,157	49,695	59,135
Canada	78,195	50,269	59,003
Vietnam	74,545	63,513	53,073
United States	77,533	49,509	48,923
Norway	29,133	28,917	40,649
S.Afr.Cus.Un	32,391	29,871	40,094
Singapore	61,611	44,272	38,089
Philippines	34,309	32,111	32,102
India	32,636	25,724	32,080
Other	387,456	312,237	289,250
World	2,089,461	1,606,246	1,589,190

Source : United nations Statistics Division